

Testimony before the Budgeting for Results Commission  
October 12, 2011  
Chicago, Illinois

Good Afternoon, and thank you, Senator Kotowski and Commissioners, for making this hearing possible.

We are the Illinois Collaboration on Youth and we represent a diverse group of human service providers from across the state. With more than 50 member agencies, we serve as a collective voice and powerful force for Illinois' young people, their families, and communities.

The Illinois Collaboration on Youth supports the vision behind the Budgeting for Results initiative. As Illinois taxpayers and residents ourselves, we are strongly in favor of increased accountability and transparency in the allocation of scarce public funds. We too want to see our dollars spent in ways that generate the most benefit for the state, and for the vulnerable children, youth, and families that we serve.

And so with that common understanding and shared sense of purpose, we present to you our concerns as you undertake this effort.

First, we wish for you to understand the context in which this initiative is taking place. For more than three years now, the private sector has experienced dramatic budget cuts and delayed payments that have had serious consequences on the health of the sector. In most cases, agencies have responded to this austere fiscal situation by paring back their administrative staff and functions to keep direct services flowing to families in need. Technology improvements, investments in staff training and development, and other administrative infrastructure upgrades have often been deferred to provide essential services to the most needy. This presents a challenge for providers to implement the data collection and analysis functions that will be needed to comply with Budgeting for Results. Providers will require funding and technical assistance to be successful in this process. We urge the Budgeting for Results Commission to recommend funding levels to the Governor and the General Assembly that allow for investment in provider infrastructure.

Second, we are particularly concerned with the risk of unintended consequences posed by Budgeting for Results. What safeguards or incentives will be in place to protect those who face the most difficult challenges among us? If the goal is to achieve a certain outcome to maintain funding, providers will be incentivized to serve those who seem most likely to achieve that goal, whether it is graduating from high school, becoming employed, remaining arrest-free, or other worthwhile goal. Again, we want to stress that we agree that these are good and important goals to have. But what happens to the most difficult clients, the clients with multiple and complex issues whose problems may not be so easily addressed? How will agencies be encouraged to serve them? These are human beings, not potholes to be fixed. We cannot write our most fragile youth and families off as we might delay a street repair until next year.

For the past 10 years, the Illinois Department of Children and Family Services has struggled with some of these same questions. Over time, and with the collaborative input of the provider community, IDCFS has worked to identify various risk factors in the performance-based contracting process. Through that process they have instituted "hold harmless" contracts as these issues are worked through. It is important to note that this

process has been deliberate and gradual, and continues to evolve throughout the child welfare system even now. We recommend a deliberate, thoughtful, and collaborative approach for the Budgeting for Results process.

Third, we want to raise up the age-old dilemma that has faced prevention and early intervention programs for decades. Prevention results are notoriously hard to measure on a small scale, that is to say, an agency-wide scale. And yet prevention efforts make the most sense for financial investment, both from a fiscally-prudent point of view, and from a humane point of view. It is better, and less expensive, to prevent human suffering than to try to stop it once it starts. We are challenged to prove that this particular young woman did not get pregnant and drop out of school because of our efforts, or that specific young man did not join a gang and instead graduated high school because he was enrolled in our services. These effects can often be seen only in retrospect, when we compare them with historical trends. We strongly encourage the Budgeting for Results Commission to continue to prioritize prevention efforts even though measuring results for them can be more challenging than it is for other kinds of programs.

Fourth, we want to note that if the State is asking private agencies to assume additional risk in the execution of their contracts, then providers should have parallel access to the rewards that they may achieve through their success. For example, some Departments require agencies to return "excess revenue" back to the State, which penalizes agencies for success and efficiency. Instead, agencies should be allowed to invest that "excess revenue" in ways that will encourage greater success and efficiency, such as upgraded infrastructure, a more highly-trained staff, or improved facilities, to name a few. We recommend that the Budgeting for Results Commission recognize that the State's private partners, whether profit or nonprofit, will be accepting additional risk through this changed contracting environment, and remove the barriers that prevent providers from achieving greater success and efficiency.

Thank you again for your time and attention to these matters. We support the Budgeting for Results initiative, and believe that it has great potential to improve the lives of vulnerable individuals AND to improve the State's bottom line. However, a paradigm shift of this magnitude cannot be accomplished overnight or even in one fiscal year. We need the goodwill, the cooperation, and the partnership of individuals and institutions both public and private to realize such a dramatic change. A healthy process will be essential to a successful outcome.

Thank you.

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